

TREASURER'S ADVANCE AUTHORISATION BILL 2022

All Stages — Standing Orders Suspension — Motion

MR D.A. TEMPLEMAN (Mandurah — Leader of the House) [4.22 pm] —without notice: I move —

That so much of standing orders be suspended as is necessary to enable the bill to be introduced forthwith and to proceed through all stages without delay.

MR R.S. LOVE (Moore — Deputy Leader of the Opposition) [4.22 pm]: I want to speak to the matter of urgency surrounding this bill. I note that the Leader of the House has not yet given any reason this matter needs to be dealt with as a suspension of standing orders. This is a very important matter concerning a vast sum of money and what that money might represent and why advance authorisation needs to be given. In moving a motion for a suspension of standing orders, I believe that the government needs to give some justification or reason to enable the opposition to understand why this matter is of such urgency. I note that under the Liberal–National government in 2010, for instance, a Treasurer's advance authorisation bill was declared an urgent bill under standing order 168. The only real difference is that when a bill is declared urgent, another day's notice is given for the opposition to digest the bill and gain an understanding of what it does. I am wondering whether we are so close to the wind that we actually cannot afford that extra day of notice. Is that the reason this suspension of standing orders motion has been brought on? Are we that close to running out of money that if another sitting week were required to progress this matter, for instance, it would cause difficulty for the state? I know that we are down to our last \$97 million, so maybe that is the reason the bill is being rushed forward. I want some clarity from the government on why this bill needs to be proceeded with in this way, rather than under the normal standing orders of the house, which would be for the Leader of the House to read in the bill and for us to debate it as an urgent bill tomorrow. If the Leader of the House could give me some understanding of what this is about and why it has to occur in this way today, I would be very much obliged. It seems to me to be quite a rushed process for a piece of legislation of such magnitude and with such a potential impact on the state's finances.

The other matter that I want to draw to the attention of the house is that we received a briefing on this bill yesterday, which was organised at about two or three o'clock in the afternoon. Indications were given that an approach would be undertaken to enable the opposition to have some detail around where some of this money will be allocated and where some of the overruns are or extra expenditure is required. That is not an unusual request. In fact, reading through the *Hansard* of 2010, I can see that the Treasurer of the day, the then member for Vasse, provided the opposition with details of where the money would be allocated. No such information has been provided to us, other than the very general presentation we were given in the briefing on the Treasurer's Advance Authorisation Bill 2022, which spoke in very high-level terms of hundreds of millions of dollars. The only information we got beyond that was that some of the money would go towards capital items and some would go to recurrent items. The opposition has not been given the same level of information that has been provided in other Parliaments at other times.

I wonder why we have to move on this bill today when that information has not been provided. That information was requested. I checked with the shadow Treasurer just before this session started and he assured me that he had not received any such information. I have had no indication that that information has been provided. It was provided under other Parliaments. It is very poor that extensive information has not been given to the opposition to enable it to understand exactly what this authorisation will mean and where that money will go. For instance, we do not know whether this bill is being brought on because of the need to fund the very extensive rollout of rapid antigen tests, which I note is far in excess of those provided to any other population in Australia. Every man, woman and child in this state will get 40 RATs, which we will have to pay for very soon. I think the cost of that will be well in excess of \$500 million. There is obviously an imperative to get the bill through when there is only \$97 million in the bank, but I would like an explanation of why it has to be done today and why it could not be delayed and done as an urgent bill. That might mean that it would not go to the other place in time for it to go through this sitting week. Would that be a huge issue? I think there is a reasonable expectation that the government should explain why it wants to suspend standing orders to talk about a bill that concerns over a billion dollars of money.

I place on the record that that information has not been provided. That information is essential for any opposition that seeks to interrogate the government and get an understanding of the state of the finances. I think it is essential information for the people of the state as well. Some indication was provided in the midyear review—I think a bit over \$800 million in changes was forecast—but where will the rest of the money go? How has it come about that we are suddenly in a situation in which we need this amount of money, presumably in a few days, because we are rushing it so fast that it will not even take another sitting week to get there?

I am not saying that the opposition is opposed to the suspension of standing orders. If there is an urgent need for this money, the opposition will consider obliging the government and assisting the passage of the bill through the Parliament. We need an explanation of why this bill is so urgent and for the government to do some work to justify

and lay out the case for why it needs us to deal with this bill by tonight, why it could not be done tomorrow and why we could not be given more information on where the money will go. We require the same information and the same courtesy that was extended to members opposite by previous governments. I note a debate in 2010 on a similar bill, when the now Premier made a contribution and said that he did not think it was unreasonable for him to comment briefly on the reason for the matter of urgency to deal with that bill, and that he had received information about that bill very late, yet was expected to debate it on that day. The process in 2010 was less rushed than the process we face today, and more information was provided. I would like the Leader of the House to respond to that.

I do not know whether any other members want to talk to this motion, and I will not hold debate up any longer, but I want to put on the record that this is a very important matter. The government is asking for a lot of money from the taxpayers of this state and there is a dearth of information about the need for urgency on the bill, and, indeed, a dearth of information about the detail of the bill to contribute to that debate.

MR D.A. TEMPLEMAN (Mandurah — Leader of the House) [4.32 pm] — in reply: I am happy to respond to the questions and comments from the member for Moore about the motion to suspend standing orders and the intention of the government to debate and pass the bill through this place today so that it can enter the other place for debate. The member alluded to precedents with past Treasurer's Advance Authorisation Bills. These bills are not uncommon and are, essentially, a means by which expenditure that is required for projects can be considered, accounted for and essentially paid for. That is implicit in the wording in the explanatory memorandum of the bill and, of course, in the detail of the bill. It is not uncommon to bring on these types of bills as a matter of urgency.

The member will note the timing: we are approaching the budget session in May, and once enacted, the Treasurer's Advance Authorisation Bill 2022 will ensure that moneys can be available as soon as possible. If the introduction and passage of this bill in this place is delayed in any way, it will delay the bill entering the other place. Plenty of time has been provided today and into the evening for debate on this bill. These bills are not uncommon.

As the Premier highlighted in question time today, this government is and has been extremely responsible in its fiscal administration of the budget in Western Australia. That has been highlighted again by the very high ranking and endorsement given to the government by Standard and Poor's as late as today. The Premier also highlighted that the government has over the last two and a bit years been governing the state in the midst of a worldwide pandemic that, of course, has provided a whole range of challenges in the prioritisation of projects and spending to ensure that the state is as best placed as possible to respond to those cost pressures and challenges. As has been highlighted by a whole range of authorities and commentators, the McGowan government's stewardship of the Western Australian economy has been quite remarkable in comparison with many other states, territories and, indeed, other jurisdictions in the world. I am advised that much of the information that the member requested will be provided as part of the ongoing debate and can be further explored in the consideration in detail stage of the bill. This is not unlike previous requests by governments, including during the time of the Liberal-National government's stewardship of the budget. When I refer to the previous government's stewardship of the budget, I am very much aware of the haphazard and, in fact, appalling stewardship of the economy and the budgetary processes by the previous Liberal-National government, of which the member for Moore was a member. Indeed, the government has produced the Treasurer's Advance Authorisation Bill 2022 to enable ongoing stewardship of the economy and the budget to continue under the Treasurer.

The state budget will be handed down in only a few weeks' time in the May session. This bill needs to be advanced as soon as possible. Members opposite were given notice last week of the government's intention to introduce the Treasurer's Advance Authorisation Bill 2022 and to progress that bill through the house today so that it can be introduced in the upper house. As we know, the other place is a different place and quite often it requires time to consider matters. This process will ensure a smooth passage in a timely way and that is the reason the government has embarked upon introducing and debating all stages of the bill forthwith and we will deal with the bill tonight.

The ACTING SPEAKER (Ms A.E. Kent): As this is a motion without notice to suspend standing orders, it will need an absolute majority in order to succeed. If I hear a dissentient voice, I will be required to divide the Assembly. I have counted the Assembly and satisfied myself that an absolute majority is present. I declare the motion carried.

Question put and passed with an absolute majority.

Introduction and First Reading

Bill introduced, on motion by **Mr M. McGowan (Treasurer)**, and read a first time.

Explanatory memorandum presented by the Treasurer.

Second Reading

MR M. McGOWAN (Rockingham — Treasurer) [4.39 pm]: I move —

That the bill be now read a second time.

Mr David Templeman; Mr Shane Love; Mr Mark McGowan; Dr David Honey; Acting Speaker; Mr Peter Rundle

This bill seeks to increase the Treasurer's advance limit for 2021–22 to \$2.32 billion, an increase of \$1.5 billion on the currently approved limit of \$820.5 million. The Treasurer's advance allows for supplementary funding of annual appropriations for unforeseen and extraordinary events during the financial year, as well as short-term repayable advances to agencies for working capital purposes. The annual Treasurer's advance limit is set automatically by section 29(1) of the Financial Management Act 2006 and is calculated as three per cent of the amount appropriated in the previous financial year. For 2021–22, this equates to a Treasurer's advance limit of \$820.5 million. Under section 29(3) of the Financial Management Act, if this automatic limit proves insufficient, parliamentary approval for an increased limit must be sought by way of a Treasurer's Advance Authorisation Bill.

The 2021–22 *Government mid-year financial projections statement* showed that the total amount to be drawn against recoverable advances, excesses and new items in 2021–22 was forecast to be \$723 million. This leaves only \$97 million available for the remainder of this financial year. As has been shown to be the case throughout the pandemic, WA Health expenditure was the largest component of the \$723 million forecast to be drawn against the Treasurer's advance. This includes additional expenditure to increase WA Health's hospital bed capacity under the safe transition plan and to accommodate extra COVID-19-related health spending and general hospital services. The midyear review projection for the Treasurer's advance also included funding for the government's Reconnect WA package, construction of common-user infrastructure on the Burrup Peninsula, the COVID-19 test isolation payment, the severe tropical cyclone Seroja disaster recovery package for temporary workers' accommodation, and enhanced COVID-19 cleaning in schools. Additional spending has emerged since the midyear review was released. This includes the cost of purchasing COVID-19 rapid antigen tests and other COVID-19-related costs for WA Health, the Western Australia Police Force and schools. Further spending pressures are likely to emerge, given the uncertainties of the COVID-19 pandemic.

Members will be aware that although the 2021–22 budget included an \$800 million general spending provision to offset the financial impact of any unforeseen agency costs that emerge during 2021–22, that provision does not act as an offset to the Treasurer's advance. The provision simply ensured that the operating balance and net debt forecast reflected the high likelihood of spending increases in 2021–22. Parliamentary approval of an appropriation for such a general provision cannot be made in the budget due to the uncertainties of the size and purpose of payments to be made from the provision. Although the budget anticipated that a large yet-to-be-identified spending increase was likely this year, its impact on the Treasurer's advance could not be prevented, hence the need for this bill now arises.

The bill seeks to increase the Treasurer's advance limit by \$1.5 billion to \$2.32 billion. It is anticipated that this increase to the Treasurer's advance will provide sufficient capacity for the government to respond to emerging issues for the remainder of 2021–22, including further potential initiatives that may be required in response to the COVID-19 pandemic. As has been highlighted during the debate on other recent Treasurer's Advance Authorisation Bills during the pandemic, the increase in the Treasurer's advance provides the authority to meet higher funding requirements. It does not commit the state to any other additional spending. Any unspent capacity on the Treasurer's advance will lapse at 30 June 2022. Actual expenditure will be reported in the 2021–22 *Annual report on state finances*, which will be released in late September 2022.

The urgent nature of this bill reflects the need for the authority for release of excess funding to be in place before any such funds can be drawn during the remainder of the 2021–22 financial year.

I commend the bill to the house.

Appropriations

Message from the Governor received and read recommending appropriations for the purposes of the bill.

Second Reading Resumed

MR R.S. LOVE (Moore — Deputy Leader of the Opposition) [4.43 pm]: I rise to speak to the Treasurer's Advance Authorisation Bill 2022. I will be followed by other speakers from the opposition who would like to quiz the government about what we have just heard, some of the imperatives for the need for speed, the amount that has been called for and where some of that money might be going.

As I highlighted in the brief discussion on the suspension of standing orders motion, we have not been provided with any information in any detail on where this money will be going—the exact programs that will be funded by it. What we know is basically what the Treasurer just outlined in his speech—that is, those high-level references to particular expenditure. He spoke about the need for WA Health expenditure to increase hospital bed capacity under the safe transition plan and to accommodate extra COVID-19-related Health spending and general hospital services. Some of these matters were discussed in the *Government mid-year financial projections statement*. Some items in the \$723 million forecast came from the midyear review. We know the midyear review also included funding, as the Treasurer said, for the government's Reconnect WA package, but we do not know where the money

has gone—whether it has been spent and what is happening now. For instance, we do not know about other matters that have been spoken about, such as the tropical cyclone Seroja disaster recovery package, yet we know from reports that very little money has been allocated in the affected area and large amounts of money are sitting unspent. Is it necessary to include that in the discussion of the Treasurer's advance? The Treasurer's advance is not a normal appropriation and does not apply beyond the end of this year. It is an authorisation for the rest of the year to spend money that was not planned for at the time of the budget and any moneys that will be authorised under this bill will lapse at the end of the financial year and the commencement of the next budget.

It would be interesting to know what has happened to some of those programs that the government has invested in, for instance, to assist with bringing tourists across to Western Australia. Has the money allocated to that been spent and where has it been spent? Those are the sorts of things we would like to know, but at the moment we are not getting much information from the government, when it provides information, on where this money is being spent. We do know that the rapid antigen tests have to be paid for. People might be interested to know how much money the government is spending on rapid antigen tests. It is an enormous amount of money. I have some information about it that I am trying to find—here we are. My colleague in the other place Hon Martin Aldridge asked a question about the rapid antigen tests. I will go through the question —

I refer to the procurement of rapid antigen tests by the state government.

- (1) How many RATs has the state ordered and received to date?
- (2) What procurement process has been utilised by the state to procure supply?
- (3) How many charter flights have been utilised to date, and what is the relevant cost of each flight?
- (4) What is the cost to date of procuring RATs identified in part (1)?

The answer came back —

- (1) The government has ordered 110.7 million rapid antigen tests and 30.1 million have been received.

I think this question was asked a week or so ago. I do not have the date in front of me. The answer goes on to say —

- (2) Due to the rate of the emergence of Omicron, short lead times for supply and global competition to secure RATs, the WA government used the emergency provisions within the Procurement Act 2020 to procure supply. This approach included approval of funding by the relevant delegate, and direct negotiation with the supplier for product quality, delivery schedule and costs. The WA Department of Health used purchase orders approved by the relevant delegate to place the order with the suppliers.
- (3) Two charter flights were used to expedite delivery at a cost of \$700 000 per flight.
- (4) The total cost of procuring the RATs was \$578.9 million.

That is \$578.9 million to buy 110 million rapid antigen tests! Hon Martin Aldridge worked out that that is 40 RATs for every person in the state, from newborn infants right through the spectrum of human beings in the state. Each one of them will have 40 RATs. The state government has used its powers under the emergency provisions within the Procurement Act 2020, which is, more or less, a bit of a bypass method of making expenditures, to buy \$578.9 million of RATs. Did the government actually add a zero to the end of that RAT figure? Did it mean to buy only 11 million RATs? Did it mean to spend \$578 million? We do not know because it was put through a secret process under the Procurement Act 2020. I might add that the Procurement Act is this government's own work, so it knows very well how to use its provisions and what that means. It is an extraordinary amount of money to spend on rapid antigen tests, especially when one considers that a trial is now being run at the airport, I think, by a Western Australian tech company that has developed a faster and more accurate method of testing for COVID-19. It can do thousands of tests in half an hour or thereabouts and it is being looked at and trialled by resource companies to protect their workforces. Where are these RATs going to go? We are flooded with RATs. We are now seeing —

Dr A.D. Buti: Yes, they're in your party.

Mr R.S. LOVE: I am not taking interjections from the minister. The government is handing out RATs at the train stations and 1 000 RATs have been sent to each member of Parliament. No doubt RATs will be given to local governments and service stations et cetera, and this is in addition to —

Dr A.D. Buti interjected.

Mr R.S. LOVE: If I have supplied to me 1 000 RATs, I will ensure that they go to my electorate. I will not disadvantage the people of my electorate over any others.

Dr A.D. Buti: Are you complaining about that?

Mr David Templeman; Mr Shane Love; Mr Mark McGowan; Dr David Honey; Acting Speaker; Mr Peter Rundle

The ACTING SPEAKER: Minister for Finance!

Mr R.S. LOVE: I certainly do not think that spending \$578 million on RATs is justified.

Dr A.D. Buti interjected.

Mr R.S. LOVE: I am not taking interjections.

Point of Order

Dr D.J. HONEY: Standing order 95 states, “Members will not converse noisily or otherwise disturb the proceedings”, and we have had unwelcome constant interjections from the member for Armadale.

The ACTING SPEAKER (Ms A.E. Kent): There is no point of order, but you will have your chance, Minister for Finance. Please continue, member for Moore.

Debate Resumed

Mr R.S. LOVE: The Minister for Finance will be able to explain how he can justify spending \$578 million under his Procurement Act —

Dr A.D. Buti interjected.

The ACTING SPEAKER: Minister!

Mr R.S. LOVE: — to provide these RATs. Where is the justification? Let us look at what some of the other jurisdictions have been doing in this regard. We have found as much information as we can on this. I cannot verify that this information contains the full amount that has been spent, but it is certainly all the publicly available information that we could find on some of the other jurisdictions. In New South Wales, 100 million rapid antigen tests were purchased for essential public workers and vulnerable communities—50 million from mid-January to February and a further five million from February to March. The New South Wales government has allocated \$250 million to procure the RATs. If we look at the various population figures of the states, we see that Western Australia is 2.685 million and New South Wales is well over eight million. We have purchased more RATs than New South Wales has and our population is one-third of its population.

Dr J. Krishnan interjected.

The ACTING SPEAKER: Member for Riverton!

Dr A.D. Buti interjected.

The ACTING SPEAKER: Minister, I will call you to order! Thank you.

Mr R.S. LOVE: We know that Victoria has ordered a large number of RATs; it has ordered 44 million and 166 million, but I draw the attention of members to the fact that 6.6 million people live in Victoria—vastly more people than here.

The other matter to consider is the process. Regardless of whether the government has ordered the right number of RATs for Western Australia, I invite the government to detail how it arrived at purchasing that number of test kits and spending \$578 million on them as an appropriate amount. Who was the delegate under the Procurement Act who actually came up with that figure and where is the modelling or the rationale that underlines such a huge expenditure on this one diagnostic tool? We know that other testing processes are coming along right now that could make them less needed. We also know that many businesses in this state have brought in rapid antigen tests, as part of a normal commercial transaction, to sell to people who can afford to buy their own tests. I am not the wealthiest man in Australia, but I do not need the government to buy rapid antigen tests for me. I am sure that the Minister for Finance does not need the government to buy him a rapid antigen test. I am sure that no member of this place and virtually very few people who work in this place would need the government to provide them with a free rapid antigen test. I can go to the commercial market and buy them if I need them. I can go to the 7/11, the service station at the end of the road or a local chemist to buy them. These small businesses have purchased rapid antigen tests because they were required by their community and they were under enormous pressure to get them in. The government refused to actually use the tests. It suddenly realised that it needed them in a big way and now it has gone all out to flood Western Australia with rapid antigen tests. The government gave no explanation about how it came up with the number of tests there would be, how they would be allocated or how it would ensure that it did not commercially harm all those little businesses—the corner stores, the service stations and chemists—that bought rapid antigen tests to help protect their community.

Those businesses will now be left out of pocket with these tests rotting on their shelves because people will not buy them when they can apply to get 15 in the mail or they can go to their local member of Parliament and pick up a handful. No doubt, they can go to the train station —

Dr A.D. Buti: Do you have a problem with that?

Mr David Templeman; Mr Shane Love; Mr Mark McGowan; Dr David Honey; Acting Speaker; Mr Peter Rundle

Mr R.S. LOVE: I have a problem with the way the government has gone about this process. I have a real problem with it.

Dr A.D. Buti interjected.

The ACTING SPEAKER: Minister for Finance!

Mr R.S. LOVE: Anybody would have a problem with you wasting taxpayers' money in the way that you have —

Dr A.D. Buti interjected.

The ACTING SPEAKER: Minister for Finance! This is your last warning. I will call you to order next time.

Mr R.S. LOVE: — to the point where you have to come here and begged the Western Australian people to give you more money to keep going and demanded that the opposition go through this process without giving its the information about where the money will go. This government is not giving us the same level of information that we gave to previous Labor governments. It is on the record in *Hansard*. The now Premier admitted in 2010 in *Hansard* that he had the information provided to him. It has not been provided here. There is no justification for that. It is actually quite irresponsible of the minister and it shows that he has not done his work if he has not even got that information together. If he has the information, why will he not share it with us? The government is asking us to agree to an adjustment to the Treasurer's advance that will allow the government to spend another \$1.5 billion, but it does not want to tell us where the money has gone or where the money will be going. It is a disgrace. It is not right. It is not what it has done previously.

I have here supplementary information on the 2021 discussion, which is a list of programs that the government funded under its election commitments. The government had no problem providing that information. What is wrong now? Are the RATs the problem? Is the government so embarrassed about the way in which it has wasted money that it does not want to come clean? Is it so close to the line with its expenditure? We were told at a presentation by Mr Chris Wright, director of state finances at Treasury, that the government is down to its last \$97 million. I am looking now at some of the figures that show the existing limit is \$820.5 million as set under the Financial Management Act 2006 and that the bill seeks to increase the limit by \$1.5 billion to a total of \$2.3 billion. It goes on to say that the funding under the Treasurer's advance must be approved by the Parliament before funds can be drawn for the remainder of 2021–22; hence, the need for it to be declared urgent. That is before the funds need to be drawn. Have we chewed through an amount of money and there is only \$97 million of the original Treasurer's advance of \$820.5 million left? Have we got only a few days of money left—\$97 million?

The government has to pay for those RATs somehow. The government, obviously, is out of money, which begs the question: was it a really poor process around the purchase of the \$578 million worth of RATs that led to this cataclysmic situation in which the government is about to run out of money, or is it a function of having a part-time Treasurer? Is it due to the fact that the government has a person with so much responsibility at the moment, and is the Treasurer, that some things just slip by and, "Oops! We're almost out of money. We'd better rattle the piggy bank and get more money from the Parliament because we are down to our last \$97 million and we'll be out of money by the end of the month"? That is the only explanation I have for why this is being rushed through—so it can clear the Parliament this week. If we went through a slightly slower and more sedate process, with more interrogation, it probably would end up being debated in another parliamentary sitting week. We know that there is a break in the middle so that would be in a fortnight.

If that is the case, the government should come clean and tell us the exact situation: when it will run out of money and where the money will go. No information has been given to us on any of these matters. We would like to know the state of the hospital plans. We would like to know the state of programs like Reconnect WA. We would like to know where expenditure on cyclone Seroja-affected areas is at. We would like to know what other expenditure the Premier highlighted has been incurred since the midyear review—on the RATs, on other COVID matters and, presumably, on some of the support for businesses that are currently affected by level 2 restrictions, which has put pressure on businesses, as we know, and created the need to compensate them. We know that police resources are tied up in the current situation, and that is continuing. The state of emergency continues and the situation on the border with G2G passes continues. More and more resources are being used all the time to look after those things. We know that the situation in schools has been very poorly handled. We know that there has been a lot of confusion. There have been a lot of costs involved in that sector as well. All we want to know is where the money is going. The government has come to the Parliament to ask it to provide the money, but it is not telling us where this money is going. The government should not expect us, as a responsible opposition, to just roll over and say, "You want \$1.5 billion; yes, okay. Yes, why not? Take 10." Apparently, that is how the government did its planning with the RATs—think of a figure and multiply it by 10.

The government is asking the opposition to provide, in a leap of faith, a vast amount of money without making any justification for it. There has been no justification given for the urgency for the debate today around this matter. We have had nothing. It is just another week in this Parliament in which this Parliament is treated with contempt and in which government members of Parliament come in and take the easy money. They do not ask any questions. They could push back a bit. They could ask, “Why aren’t you providing information to the opposition? That’s not fair! If we were on the other side of the fence, we’d expect to have that information provided to us”, just as we provided it to opposition parties in previous terms of Parliament.

Where is the information? Where is the need for this money? All we have had are very high-level matters. We know about some of the information from the midyear review—yes—but we have no information on the expenditure since then—the extra \$1.5 billion that is required—other than what the Premier said in his speech and in the two or three slides that we got in the briefing. I am sure that that was very informative in a very high-level way. I am not complaining about the quality of the slides, but the depth of information is just not here for us to know with any certainty where this money is destined to go, where the shortfalls are and what caused some of the pressures that led to spending this money. As I say, we really are not asking for anything dramatically different than has been provided in previous years. It is a huge figure—\$2.3 billion is a huge figure to go over a budget by. I think the Treasurer’s advance is three per cent. Basically, that has been jumped up to a point at which it must be around nine per cent of the budget—that is now the Treasurer’s advance—rather than the three per cent we originally would have seen. It is not as though we are saying that there are no pressures; we understand that there are pressures. We understand that there have been changes in economic conditions and a general need to support the community at this time, but it is not unreasonable for the opposition to be provided the detail on where this money will be spent.

Another issue that was touched upon very briefly in the briefing was that some of the money will go into recurrent matters and some will go into capital spend. We would be interested in being told where that money will be going and what has triggered the need for some of these capital projects to have money from the Treasurer’s advance. Have there been cost blowouts or are top-ups needed for existing programs, or are we talking about new measures that will have to be brought into place because programs have been announced since the midyear review or have had some imperative attached to them that we are not aware of? We are just asking for that information. It is not as though we are saying that the government should not be spending the money, but we have some trepidation about supporting a bill that we have not been informed on. We do not want to be obstructive. We want to be constructive and collaborative, but it is difficult to do that when the government does not provide us with the information.

The Premier in question time and many times criticises the opposition for being negative and opposing. How can we be otherwise if we are not given the courtesy of being provided information on which the state makes its decisions? This situation arises when we ask for the modelling upon which the government makes its decisions on health advice. It is only right for the opposition to ask for it to be shared; but we have been rebuffed on many occasions. We are just asking that the government share with us where this money is going, what requirements there are and what program and projects need this extra funding. Obviously, the initial allocation of money to rapid antigen tests is all at the state’s expense, but I understand that there is a component that the federal government will be reimbursing. When will that happen? What will that mean for the cash flow, if you like? This is really a matter of cash flow. We are talking about being able to keep the cash flowing between now and 30 June or 1 July. Basically the state needs this advance. We do not want a situation like we see in America at times when the government is virtually shut down when money runs out, and there is a conflict between the levels of the executive and the elected chambers in that country. That is not something that opposition members want to see.

We are not going to oppose this bill, but we really would like to have information throughout the process. The Premier might undertake to provide some of that information in his reply to the second reading debate or during consideration in detail. The Leader of the House said that might happen in this debate. I hope it does, because we have questions about where that money is going. It is hard to find answers to those questions when we have not been given the very basic information and some of those high-level numbers that would help us to dig down and find out where some of the overruns are and what some of the problems are and will be for the state. It is not the opposition’s job just to accept a bill without interrogating it. It is our role to interrogate it. Oftentimes it is important to be able to just put things on the record so that people in the future will know exactly what was going on at that time. That is why as members of Parliament we often refer to previous debates in *Hansard* to know what was going on in another era, to know what was happening in that situation, yet it looks like we are not going to get very far in being able to do that on this bill.

I note that expenditure has grown steadily under this government in the time that it has been in office. The level of expenditure has grown, I understand, 19 per cent from \$29.9 billion in 2017–18 to the forecast \$35.6 billion in 2021. The amount of money is steadily growing; the state’s budget is growing. We know that we have come through a period of very extraordinary times, and there are matters that are no doubt driving up many of the costs for the state across those years, and especially over the last couple of years. We know that in the 2021 budget across the forward

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estimates there is additional recurrent spending forecast up over previous years to, I think, \$796 million. There is \$249 million for transitioning border controls, providing for the cost of staffing of additional hospital beds and refocusing the use of existing beds. There was \$240 million in 2021 for additional spending on COVID-19 response activities, including hotel quarantine, public health emergency operations, setting up the State Health Incident Coordination Centre, and delivery of the vaccine program and pathology testing. There was \$240 million to address cost and demand pressure in the hospital services, including \$4.5 million for the delivery of specialised therapy for treatment of blood cancers and \$42 million in additional recurrent expenditures for a new human resource management information system for WA Health. Those are the things we do know, but we would like to know what else is happening and where this other money needs to be put. How much of that \$578 million for rapid antigen tests will be paid and when might some of that money flow back to the state if there is a recoup, as I have been led to understand from the federal government there will be, of some of that expenditure? We would like to interrogate those matters. We would like to be constructive. We always aim to be constructive in debates in this place, but it is not always easy when the government chooses not to be forthcoming with some of the information that it could otherwise provide for us. We would like to know whether agreeing to the Treasury's advance authorisation is really necessary, whether it is a wise investment and whether wise investments are being made for the state by the government in this time of it potentially needing \$2.3 billion over the budget forecast.

I am sure other members may want to make a contribution. There might be members on the government side who wish to as well. With that, I reiterate that we do not seek to oppose. We seek to interrogate; we seek to understand. We will not leave the state in the embarrassing situation of not having the money to make its commitments. We will not oppose the bill, but we will certainly seek to get clarity and understanding from the Treasurer about the circumstances of and expenditure in this authorisation levy.

DR D.J. HONEY (Cottesloe — Leader of the Liberal Party) [5.16 pm]: I rise to make a brief contribution to the second reading debate on the Treasurer's Advance Authorisation Bill 2022. I have no desire to unnecessarily delay its passage through this place, but I echo completely the sentiments of the Deputy Leader of the Opposition.

This is obviously an appropriation bill, and, as was pointed out, when these bills have been debated in the past—it was certainly done in the past by our governments—there has been ample opportunity for the opposition, then the Labor Party, to have adequate information and time to scrutinise and find out the detail. We are not talking about inconsiderable sums of money here. The three per cent variation that is written permanently into the Financial Management Act corresponds to \$820 million—a considerable sum of money that the government has had at its disposal. I might say in relation to however much of this is due to additional responses to the COVID pandemic and its impact on the state, the government had already identified \$800 million of unallocated moneys in the budget to that particular cause, and so that would add up to \$1.6 billion. Here we have a request for an additional one and a half billion dollars to carry the government through to the end of the financial year. Again, that eye-watering sum of money is not ultimately paid for by the Labor Party or anyone else; the moneys are owned by the people of Western Australia. I understand that the government only has \$97 million left. I cannot understand why this has been delayed so much. Is it because we have a part-time Treasurer with all the Premier's considerable duties? As I have said in this place, I respect the role the Premier has to carry out and that duty; it is a tough job and no-one pretends it is easy. Why the Premier took on being Treasurer is still beyond us on this side. He clearly cannot trust any of his colleagues with such an important portfolio. That is disappointing given there are—what is it?—53 of them over on that side of the house. Is it because the Premier is too focused on other things, other matters, such as the Palmer trial and those things?

The ACTING SPEAKER (Ms M.M. Quirk): Member, you are veering around imputation. I would be careful if I were you.

Dr D.J. HONEY: Thank you very much, Acting Speaker; I am grateful for your guidance, as always.

The Minister for Finance is sitting there. Is he twiddling his thumbs and not alerting the Premier to the fact that Treasury is about to run out of funds and they need to do it? Why is the government bringing this in as an urgent bill? I have been concerned for some time that we see in this place a government increasingly drunk on its own power. With its ascendant numbers in this place it feels that it does not really have to worry about proper process; it does not have to worry about doing things in a proper way. The government can do whatever it likes, when it likes, however it likes, because it has complete control of both houses of Parliament and therefore the normal proper processes of Parliament, the proper scrutiny that should be applied, is not allowed to be applied because it can do whatever it likes. There is an arrogance that comes across constantly in this chamber with the Premier and other ministers gratuitously making derogatory insults and comments about members on this side.

Ms S.E. Winton: You can talk about derogatory comments!

Dr D.J. HONEY: I will tell the member one thing: if I make a mistake in this place, I own up to it straightaway. That is not something that we see on the other side of the chamber. It will do for another time, but there is complete hypocrisy on that side in that matter.

Ms S. Winton interjected.

The ACTING SPEAKER: Member for Wanneroo!

Dr D.J. HONEY: I will have time to go through some of the detail on that another time.

We see an arrogant approach on the other side. Members opposite will do whatever they like, whenever they like, however they like, and we just have to put up with it. That is just tough. Do members opposite not want us to have the time to scrutinise this legislation? Members who attended the briefing asked for additional detail and I believe they were told that some detail would be provided. No detail has been provided. The Premier in his guise as the Treasurer has the opportunity to go through that detail and explain exactly how the money is being spent. Moments ago, the question was asked on that side about the expenditure of the money, with \$600 million being spent on free rapid antigen tests. I will tell members about some of the people who are eligible for those free tests. Gina Rinehart is eligible for them. She has only a lazy \$15.66 billion in her pockets according to the last rich list. Andrew Forrest is eligible for those RATs. He has only \$4.5 billion, so he is a way down the list. Kerry Stokes is eligible; he has \$4.57 billion. The Hancock heirs have about \$4.1 billion.

Ms S. Winton interjected.

The ACTING SPEAKER: Member for Wanneroo!

Dr D.J. HONEY: The Wright heirs have \$3.33 billion in their pockets. They are all eligible for those free rapid antigen tests. Meanwhile, tonight, as I have said before in this place, according to agencies that deal with these matters, about a thousand people are sleeping rough on the streets in metropolitan Perth. The government has done a blanket approach, exactly like it did with the power rebate. All members in this chamber got that \$500 power rebate. None of those homeless people got that power rebate; do members know why? Because none of those homeless people are on the scheme or paying electricity bills. Instead of having targeted relief, what we saw in that case was effectively a vote-buying grab before the election with the government spraying around \$500 million. Now we hear from the Deputy Leader of the Opposition that something close to \$600 million is being spent on free rapid antigen tests for every household. I suspect that members already have rapid antigen tests in their houses because they have gone and bought them. That is what I did; I went and bought those rapid antigen tests. It would be far better and far more in keeping with Labor Party roots if those free tests were targeted to the people who need them. Those homeless people definitely need free tests, as do people on low incomes, casual workers and people such as pensioners who are on low fixed incomes. I think it is entirely appropriate that the government gives assistance to those people; that is a prudent health measure. It should give assistance to those people so that they can readily access those tests. But a very large number of people in the million households in Perth have already bought the tests themselves. They do not need free tests. We understand that a significant part of this money is going towards free tests for every household in Perth. As I said, I would be very surprised if the great majority of households in Perth do not already have them. I might say —

Ms S. Winton interjected.

Dr D.J. HONEY: My lord, the member for Wanneroo loves to chatter away there in the corner! I tell you what, member: I have been pretty consistent in this place when it comes to helping the people who need assistance. The member is not so fussed about the thousand people who are sleeping rough in Perth tonight, and as winter approaches, those people are suffering in extreme weather. The member is not so worried about that, but she chatters away there. As I have said consistently, I support the government giving assistance to those people who need assistance. That is normally what the Labor Party is about. It targets that assistance to each according to their need and all that. In past times, at least, that was the characteristic approach of the Labor Party. What we see now is carte blanche—every single household will get those free tests, when many will have them already. Where else is the money going? What else is it being spent on? The Premier now has the opportunity to give us some of that detail. This is an enormous sum of money. Normally, we have a detailed budget. We have a process of going through that budget, reviewing it and interrogating the detail. We challenge it and, when necessary, raise issues in the media if there is a concern. That is part of the normal political process, and maybe the government will reconsider something if it was the wrong thing to do. Here, there is utterly no transparency. As the Deputy Leader of the Opposition has pointed out, we understand that towards the end of the budgetary cycle, the government may need some additional money. If there has been prudent budgeting, then maybe that is the best way to do it, so that the unforeseen expenditure comes out, and that is a reasonable thing for governments to do. But here we have \$1.5 billion being requested with essentially some very generic statements about some additional things that have been done. We have no idea whatsoever about where that money is going or how it is justified.

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This bill is going to be rushed through this evening. Given the time that we have, we are not going to have a chance to apply that scrutiny here. I assume that will apply in the other place as well, and members there will not be given that time.

As the Deputy Leader of the Opposition has pointed out, we are not opposing this bill. We understand that this is a normal part of government, but we think that the way this bill has been introduced is wrong. We should have more time to do our own research and to scrutinise this. The government should have had the courtesy to provide a greater level of detail to the opposition so that we could interrogate that detail in debate in this chamber. Thank you.

MR P.J. RUNDLE (Roe) [5.26 pm]: I rise to make a brief contribution to the debate on the Treasurer's Advance Authorisation Bill 2022. I must say, my first question is: why is this bill urgent when the Treasury and, by extension, the Treasurer have known the situation for a good deal of time? I listened in to the briefing yesterday and a representative of the Department of Treasury said that he would provide more information to Hon Dr Steve Thomas, who is the shadow Treasurer. As of about five minutes ago, apparently that information has not been forthcoming. They are the reasons we are asking the questions. As the Deputy Leader of the Opposition and the member for Cottesloe pointed out, we will not be opposing this legislation, but my question is: why is it urgent when the Treasury and the Treasurer have known about this for some time?

I want to ask the Premier some questions. We have now had this scenario in 2022, 2021 and 2020. The last time prior to that was under Troy Buswell in 2010. As the member for Moore pointed out, the opposition at the time raised plenty of questions about it. That is what we are doing, but this seems to be an annual occurrence with this government. Is this going to happen in 2023 and 2024? That is one of my questions. I am sure the Premier will enlighten us that COVID has brought about unexpected expenditure and the like, but I have a real question here. In November 2021, COVID rapid antigen tests were illegal and the use of them was punishable by a fine. Not long after, there was some sort of kneejerk reaction and \$578.9 million was spent on 110.7 million RATs, which amounts to 40 each for the whole WA population of 2.685 million. This does not compare anywhere near with what other states have spent. It is almost as though someone in Health has gone over the top. Now we have 40 RATs for every man, woman and child in Western Australia. Hon Martin Aldridge asked in the other place how many were ordered and received. He was told that 110.7 million RATs were ordered and 30.1 million were received. Two charter flights were used, costing \$700 000 per flight, and the total cost of procuring the RATs was \$578.9 million.

I have a couple of questions for the Treasurer. I am curious about his thoughts on pharmacies that purchased quite a large stock of rapid antigen tests in good faith. It looks like we have gone a little overboard. The other day, it was quantified that the federal government will be providing \$270 million, on a 50–50 basis, to purchase rapid antigen tests. That does not quite add up. There seems to have been a massive expenditure on these tests. In his second reading speech, the Treasurer pointed out the other COVID-19-related costs, including costs associated with WA Health, the Western Australia Police Force and WA schools. I would have thought that most of those expenditures would have been foreseen. I know that the Premier takes pride in telling this place that we have been watching the other states and we know what to do because we have learnt from the mistakes of the other states. I am worried that we will have \$300 million or \$400 million worth of rapid antigen tests left over. Have we learnt from the other states? As I said, I am disappointed that Treasury has not provided the extra information that was requested during our briefing yesterday. Apparently, it was going to.

Mr R.S. Love: Member, I think they were going to if they were allowed.

Mr P.J. RUNDLE: I am pleased to hear that. Obviously, Treasury was not able to do that. I certainly would appreciate the Treasurer providing some more clarity about when he expects to receive the federal funding. Basically, the urgency does not quite gel because we have known that \$820.5 million has nearly been used up. There is only \$97 million available for the remainder of the financial year. Why has it come to this stage? We could probably have dealt with this a month ago. I am sure that Treasury knew what was going on at that point. I look forward to the Treasurer's explanations.

MR M. MCGOWAN (Rockingham — Treasurer) [5.33 pm] — in reply: I thank members for their support for the Treasurer's Advance Authorisation Bill 2022 and the fact that members of the opposition have indicated that they will not be opposing the legislation. Obviously, the Treasurer's advance is not an unusual thing for governments of all persuasions. It is a necessary element to ensure the authorisation of government spending that has not already been appropriated as part of the budget, based upon extraordinary and unforeseen circumstances. That is the situation that we are currently dealing with. That is why the Treasurer's advance bill was introduced. We are seeking a \$1.2 billion expense increase out to 30 June. There is a strong likelihood that it will not all be spent, but we need to provide that capacity so that if we need it, we can access it. That is the reason behind the legislation.

There have been 12 Treasurer's advances since 2000. The majority of the past 22 years have seen a Treasurer's advance. Obviously, we sought a Treasurer's advance in 2020 and 2021 because of the pretty extraordinary

circumstances we faced as a state with the COVID-19 situation and the necessity to spend additional money. That is why we introduced the bill.

Why are we seeking to pass the legislation quickly? We need this authorisation to authorise any spend that might come along. That is the reality. I understand that these things are normally done relatively swiftly. We live in times that are a little different from any other time in terms of the requirement for unforeseen spending. That is why we are dealing with the bill relatively swiftly—to provide us with that authority. If we do not do it, we may confront a situation in which we will not have sufficient capacity in extraordinary circumstances. I said in my second reading speech that the advance allows for supplementary funding of annual appropriations for unforeseen and extraordinary events during the financial year. That is what it is there for. I will go into the things that the extra money is required for in broader detail during consideration in detail.

I will go through some of the questions that members raised. Both the Deputy Leader of the Opposition and the Leader of the Liberal Party talked about the Reconnect WA package. I will try to provide them with advice on where that has gone. Members should bear in mind that we announced it in December. Obviously, we did not open the border until early March. A lot of the funding will be rolled out now as opposed to when the border was closed, which makes total sense. The package relates to tourism, students and airlines. I met with Tourism WA yesterday. I was told that it is working cooperatively with the airport and the airlines on packages to introduce new flights. As we all know, there will be direct flights to Rome and London. These are quite significant achievements. A new flight is opening and an old flight is being reinstated. They are good things.

I will try to get full advice on the allocation of funds relating to cyclone Seroja to the Deputy Leader of the Opposition during consideration in detail.

I turn to rapid antigen tests. I picked up significant criticism from both the Deputy Leader of the Opposition and the Leader of the Liberal Party about rapid antigen tests. They said lots of negative things, such as that we should not have bought so many, they are not required and so forth. RATs allow people to continue to go to work. They allow people and children to continue to go to school. They allow for workplaces to remain open. That is what they do. They allow us to have those systems in place without using PCR tests. We have a capacity of 35 000 PCR tests a day. We are currently using around 16 000 to 20 000 tests a day. The PCR tests are not available all over Western Australia. Also, as demand for those tests increases and as they are used, obviously there are lines. Obviously, hundreds of people are not just standing there in case people show up. We have lines. It is a natural phenomenon that has occurred all over the world with PCR testing. RATs allow people to avoid those lines and get a relatively accurate test that allows them to determine whether they continue to go to work in our community or their kids continue to go to school or go outside their homes. That is what they are there for. They allow society to function. Our big supply of RATs is one reason we are currently in the best position in the world in dealing with COVID. It is not the only reason.

The Western Australian government, like every other government around Australia and the world, was trying to get rapid antigen tests during a very difficult period. The spend is there—it is a large spend—and the commonwealth will pick up pretty much half the cost of RATs. I can tell members that at national cabinet—the commonwealth and all the states—RATs were and are regarded as essential, given the environment we are in. We have a big supply on hand and coming in, but we do not know how long this is going to last. Indeed, South Australia is going through another surge, as is New South Wales. We do not know how long it going to last.

I heard the Leader of the Liberal Party say, “Gina Rinehart’s going to get some” and “Andrew Forrest is going to get some”, which was a pretty puerile argument. I am pretty sure that they are not going to put in an application for 15 free RATs. But, in any event, what we want to do is make sure that everyone across the community, no matter who they are, has a supply of RATs available so they can test themselves before they go to work, school, a dinner party, a function, a nightclub or whatever it might be so they do not spread the virus. Is it that hard to comprehend? That is what they are there for. Making sure that people have them available is an important public health measure and also an important employment measure in this environment. The Leader of the Liberal Party objected to that; he objected to the Western Australian government providing them to everyone across the community. Somehow that is wrong, according to the Leader of the Liberal Party. What it does is, first, alleviate the cost to families and, second, makes sure that people use them, because if they are available, they are more likely to use them. I would have used 10 RATs by now—at least 10 personally—because I wanted to make sure that I did not have COVID and that I was not going out and spreading it. I had to do a RAT yesterday. I went on a program on Channel 10 called *The Project*. I had to provide a negative RAT before I went on the program. A lot of workplaces and social functions are requiring that. I have heard that people have to show a negative RAT before attending parties, dinner parties and so forth because other people do not want to acquire the virus. I do not actually think that it is that hard to understand that that is what they are there for. Anyway, I have now explained to the opposition why they are there.

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We have acquired a lot because we do not know how long this is going to go on for and we do not know how long we will have to use them. It is expensive, but imagine the alternative of running out. Imagine that alternative—it would be significantly worse. It is better to have a ready supply available than to run out, which is the alternative. Members might recall, whenever it was last year, that New South Wales and Victoria, with mass spread of the virus, did not have RATs. Remember there were lines of cars down the street and people were literally there for 12 hours trying to get a PCR test. Their parked cars were blocking streets and arterial roads. People were on the road blocking traffic in those states because they did not have enough tests.

Mr V.A. Catania interjected.

Mr M. McGOWAN: I will let you respond during consideration in detail.

We had to get RATs. We obviously had to do it very quickly. Yes, we flew some in; I think there were two charter flights or whatever it might have been—other states did the same, just so you know—because we wanted to get them and make sure that they were available. That is what governments do. We needed to deal with a significant and pressing issue at that point. The Leader of the Liberal Party said that it is not justified; I disagree with him. It is justified because we are saving jobs and lives by acquiring rapid antigen tests for Western Australia. If he has a different view, once again he has failed to learn the lesson of South Australia and the South Australian opposition leader. I keep telling the Leader of the Liberal Party the correct approach on these matters, but he keeps ignoring it to his detriment.

The Leader of the Liberal Party criticised the provision of electricity credits to families. He got the figure wrong. He said that we provided a \$500 or \$600 electricity credit to families across the state. It was not just for people who might be termed low income; it was for working people on low incomes and middle-class people. It was the best way we could distribute that money and provide spending capacity for people across the state at a time when business needed it. That is what we did. If he wants to criticise that, he can be my guest. Please keep doing it; be my guest. We did what we had to do with the windfall benefit that the state received because we settled the Bell case and we managed to provide that money to the people of the state.

There is a whole range of other potential requirements because that is what the Treasurer's advance is about—potential requirements in areas. The member correctly identified rapid antigen tests and a whole range of COVID-19-related costs. There are various other costs across government, which I will outline as best I can in consideration in detail. The thing about the Treasurer's advance is that what the money will be spent on is not actually certain because these issues emerge as we go along. Providing the opposition with a budget, which is what it seems to be asking for, is not what this is. The Treasurer's Advance Authorisation Bill 2022 provides the capacity for extraordinary and unforeseen spend. We know that it largely relates to COVID-19. As members know, whilst the COVID situation is still going on and we are not out of it, we have to have the capacity to respond as required. That is what this bill is about. I am hopeful—I am absolutely certain—that we will not spend all the \$1.5 billion, but it might be that we have to use a proportion of it, and that is what this is about. It is nothing more than that. It is a safety mechanism, if you like, or a backup for the government should we be required to spend money, particularly on health and those sorts of COVID-19 matters. Obviously, the budget will come down shortly, in May, and further budget detail will be provided at that point.

The Treasurer's advance is relatively large at \$1.5 billion, which is a lot of money; but, on the other hand, as I said, it does not mean that we are going to spend it or be required to spend it. This is a mechanism to allow for that capacity should we need it.

I thank members for their support of the bill. Obviously, we need to pass this legislation and have it assented to so that we have that capacity should we need it. I conclude my remarks there and await consideration in detail.

Question put and passed.

Bill read a second time.

[Leave denied to proceed forthwith to third reading.]

Consideration in Detail

Clauses 1 and 2 put and passed.

Clause 3: Authorisation of expenditure to make certain payments or to make advances for certain purposes —

Mr R.S. LOVE: Acting Speaker.

The ACTING SPEAKER: I give the call to the member for Roe—no; it is the member for Moore, sorry.

Mr R.S. LOVE: The member for Roe is not seeking the call at the moment, but I am sure he will have plenty of questions for the Premier. First of all, I welcome the advisers to the Parliament. I hope that they do not find the evening to be too gruelling.

We had some discussion during the interchange in the second reading debate about the ability during consideration in detail to gain a greater understanding of some of the expenditure that is to be approved under clause 3. I note the Premier said that not all of that money has been committed or it is not known where it might go. I know that there has already been a midyear review, so there was some information in that. I am interested to know how much of the \$1.5 billion has been committed, knowing there is \$93 million left of the original three per cent allocation. I might next quiz the Premier for some details on where that money is going.

Mr M. McGOWAN: We know that \$294 million has already been committed for COVID-19 rapid antigen tests. There are other COVID-related costs, to which we have allocated \$164 million, which is for quarantine, accommodation, vaccination and so forth. There is \$634 million worth of other agency costs subject to the 2022–23 budget process, and then there is a buffer for unforeseen issues, particularly in response to COVID-19 response measures, of \$505 million.

Mr R.S. LOVE: Is that the entirety of the \$1.5 billion?

Mr M. McGowan: Yes.

Mr R.S. LOVE: The Premier read from some lists of figures. Would it be possible for the Premier to table the list that he was reading from?

Mr M. McGowan: Yes.

[See paper [1035](#).]

Mr R.S. LOVE: I will have a quick look at that table when it makes its way over here. In the briefing that we received, reference was made to some of the money being capital expenditure and some being recurrent expenditure. Can the Premier outline what those differences are? In the case of the capital component at least, can the Premier give some indication of where that has gone? Has it gone into COVID-related expenditure or is it cost overruns of other programs that are already underway? Does the Premier have any other information he can give me on the capital component, such as when the expenditure was committed to and when it will be delivered on the ground?

Mr M. McGOWAN: Of the amounts in question, \$412.3 million is recurrent. Some of it is COVID test isolation payments; some of it is for the Department of Education, particularly in relation to cleaning; some of it is for Fire and Emergency Services, particularly related to cyclone Seroja and helicopters; some of it is the Department of the Premier and Cabinet's donation to Telethon and the funding campaign to attract workers to Western Australia; some of it is for the de-constraining of the East Perth power station site; and a whole range of it is smaller amounts across government. In terms of capital expenditure, it is \$291 million, \$176 million of which will bring beds online in hospitals; \$31 million is for road infrastructure in the Burrup and the Water Corporation's Burrup seawater supply scheme infrastructure; \$22.9 million will go to the Department of Local Government, Sport and Cultural Industries for work around His Majesty's Theatre, the State Football Centre, which is the new one for the women's world cup for round ball football in Western Australia, the Art Gallery rooftop project and the new film studio; and some will go to the Bunbury water resource recovery scheme and a range of smaller matters.

Mr R.S. LOVE: Can the Premier table those documents that he just read from? It would be very helpful for us to have that information. I assume we will have a dinner break at this point and that we will not just keep going, even though the motion was to pass all stages, so we might be able to have a quick look at it and have some more intelligent things to say when we come back with that information.

[See paper [1036](#).]

Mr R.S. LOVE: The Premier mentioned a figure of \$294 million for the rapid antigen tests thus far. I think the figure that we were provided—I do not have it to hand at the moment—was a total of around \$578 million for the RATs that have been procured thus far. Can the Premier explain when the rest of that money will be required to be expended? Will it be in this period between now and the end of the financial year? Is that part of the money that the government is seeking to provide for in this bill?

Mr M. McGOWAN: That is the state's spend on RATs. The commonwealth will pick up the other half.

Mr R.S. LOVE: It was my understanding from the briefing that the state had to pick up the whole amount and then there would be a claim back from the commonwealth. Is that not the case?

Mr M. McGOWAN: The estimated state spend is \$294 million because the commonwealth pays us its share as we acquire the RATs. That is the national–state agreement that every state has signed up to. That is the way it is accounted for because that is the state's actual spend on RATs—our half of the spend on RATs.

Mr R.S. LOVE: I thank the Premier for that clarification. That is a bit different from what we were led to believe. It was my understanding that we needed some of this money to pay the full amount of the RATs, and that that amount would then be reimbursed. That contradicts what we were told, I believe, at the briefing. I accept the Premier's advice, and that can stay on the record as such. In terms of the procurement process for the RATs, how did the

government arrive at the number of tests that should be ordered? Who made that decision? It was mentioned in the briefing that the procurement process under the Procurement Act 2020 was used. Can the Premier perhaps explain who made that decision and how that number was arrived at?

Mr M. McGOWAN: The Department of Health provides recommendations and the government acts on them. Obviously, it is a lot of RATs—over 100 million of them—but the reality is that we do not know how long this pandemic will go for or how long we will need the RATs for. If we undersupplied and we ran out, and therefore people could not go to work, children could not go to school and our PCR testing clinics were overrun, the opposition would have another set of complaints to make. We had an insurance policy to have more than enough so we are confident that we can get through what will potentially still be a very difficult period.

Sitting suspended from 6.00 to 7.00 pm

Mr R.S. LOVE: Just before the dinner break, the Treasurer tabled a number of documents. I had a bit of a look at some of them. If the Treasurer does not mind, I would like to ask a few questions on some of the matters in them. I will turn, first, to the document first tabled—the Treasurer’s advance summary. We were talking earlier about the \$294 million for the COVID-19 rapid antigen tests. In the response given to Hon Martin Aldridge on a question asked last week about these tests, it mentioned that they had been secured using the emergency provisions within the Procurement Act 2020 to procure the supply. What normal processes does that mean have been circumvented in order to gain this procurement? I mean what processes may have been circumvented to find the best possible price, or what other methods that are normally used may have been short-circuited because of the use of these particular provisions?

Mr M. McGOWAN: What occurred was, ordinarily there would be a competitive tendering process and people bid and so forth. I am trying to place it because so much has happened, but the member right recall that, I think, it was in December or maybe late November when Australia had its first cases of Omicron and we worked out that it spread far more rapidly. We thought Delta was the rapid spreader back in June last year. It turned out that Omicron was far more transmissible. It became apparent that the PCR test system was not going to manage. No-one knew that until that point because Omicron did not exist until late November and the first cases did not arrive in Australia until December. The first case did not get here until early January—one case from Tasmania. Suddenly, there was a requirement for RATs because of the extraordinary testing demands. As I think other governments did, we had to go to a direct-approach model to suppliers to acquire rapid antigen tests as quickly and effectively as we could and circumvent the competitive tendering processes. Had we gone through competitive tendering processes, we would still be ordering them now. That is the nature of those things.

The other point is that the entire world was trying to get RATs—the entire world. Governments around Australia and governments all over the world were trying to secure RATs. I remember reports from officials in Canberra that the commonwealth—I do not quite know how it did this—was just taking RAT allocations that were scheduled to go to states. I remember being told that the commonwealth was just sucking them in—taking allocations. States were trying to acquire them and the commonwealth was getting them. Obviously, the demand in Victoria and New South Wales at that point was greater than the demand here because they had mass outbreaks and mass deaths. The whole national effort was directed towards getting them to those locations. That is what we did. Finance normally runs the competitive tendering process. We obviously had to circumvent that and it was pretty much an emergency situation we were in. Some of the local content and Aboriginal business requirements were circumvented as well because of the requirement to get RATs as soon as we possibly could.

Mr R.S. LOVE: Again on RATs, in the answer that Hon Martin Aldridge received in the last week about the state of play, the government had ordered 110 million tests and received 30.1 million tests and the Treasurer said that all the money has been expended. Is it the case that the tests are all paid for and we are waiting for the other 80-odd million to arrive?

Mr M. McGOWAN: My memory is being refreshed here. What happened with the supply of RATs is, around 14 or 15 December, we put in our first order across four suppliers. The Department of Health ordered 85.7 million RATs and the Department of Finance procured 25 million RATs. That is what occurred. They arrive progressively. The last report I had was that we had on hand 25 million or 30 million. They arrive progressively and, obviously, we are doing our best to get them out. So members know, they are heavily used in health and aged-care organisations—all those sorts of places. The state government provides them to all those organisations. As I said to the member earlier, we may have over-ordered. We may have and we might have supplies left at the end, but what was the alternative—to under-order? As if we could get the equilibrium exactly right—to order the exact number needed. It is far better to have more than we need so that society, business, work, schools and social life can continue to function, rather than not have enough.

Mr R.S. LOVE: Thank you, Treasurer. I understand that the Treasurer is not Nostradamus and it cannot be possible to exactly predict how many are going to be needed. Equally, many small businesses were trying to provide the same service in their community and now they are being left with a product that is potentially worthless because the market has been flooded with rapid antigen tests that were sourced from elsewhere. Is there any thought that some process could be used in some way to compensate, buy back or provide some relief to the businesses that, in good faith, stocked up so that they could provide for their communities? We know that a few weeks back there was a big line of people wanting to get these things from chemists and even service stations in country areas. They all have them now, and it does not seem possible that they will be able to sell them. I wonder whether there is a way out of that for those businesses.

Mr M. McGOWAN: From memory, we have allocated 15 RATs per household. The size of the household depends on how effective that will be for people. If we can make further allocations, depending on the supply, we will. That does not mean that the supplies held by pharmacies and supermarkets or what have you are worthless, because people will generally want a sufficient supply. Depending on the household and what a person's job is and how many children they have, 15 RATs may not be enough. Whatever else we can provide in the future may not be enough either. I saw this reported in the media the other day, but I do not think businesses that have RATs have worthless stock, because they can still sell them and a lot of people will want more. The good thing is that it is better to have more of them out there than fewer of them so that people adopt a cautionary approach. As I said, when people go to work or send their kids to school or they know someone who has been found to be positive or whatever it might be, they will have a plentiful supply and so they can test themselves on a daily basis or twice a day if they want to. If we had fewer supplies and people had fewer of them, the testing levels would go down, the accuracy of the numbers would go down and a lot more people who are COVID positive would be out there going to work, social functions, nightclubs and sporting events, or whatever it might be, and that would enhance the spread of the virus, which is undesirable.

Mr R.S. LOVE: The Treasurer mentioned that he has made provision to distribute 15 RATs not to each person, but to each household. In fact, the state has acquired around 40 RATs for every person. Is there a plan to distribute the rest? What is the plan to distribute the other ones? Presumably, many millions are still in stock.

Mr M. McGOWAN: There is huge usage of RATs in a range of state government employment places, particularly in the health system. They need huge numbers on a daily basis. Other places where state employees operate from also use a large number of RATs. We have further rounds of supply that we can put out there and a reserve stock, should we need it. That is why we have a large supply. Victoria and other states did the same. We got a large supply because we did not know how many we would need. It is important to place ourselves in the position we were in in December last year with Omicron literally killing up to 100 people a day in the eastern states and there was fear about what that might do here. RATs are an important way of reducing the spread of the virus and reducing pressure on the hospitals. It is always easy in hindsight to say that maybe we should have bought fewer RATs, but at the time we were facing this and the whole world was looking for them, there was a huge demand for RATs and we had to have an insurance policy for the state.

Mr R.S. LOVE: I know that members of Parliament are going to be given an allocation to provide to their constituents. The Treasurer mentioned health services. I thought of our other major institutions such as prisons and schools. Is there a program through which schools might be involved in the rollout of these tests?

Mr M. McGOWAN: From memory, we have provided them to schools. We have provided pop-ups. We have handed them out and we are giving them to members of Parliament to hand out to needy people and so forth, subject to some guidelines. All those things are occurring. The more we can do, the better. The more we can get them out there, the more they will be used and the more we can contract the spread of the virus.

In terms of the member's question about the further allocation to schools, at the start of the year, New South Wales and Victoria had what was called sentinel testing. I think it was done on a daily basis, or it might have been twice weekly. Kids had to have a RAT before they could be sent to school. The teachers and education staff may have had daily testing for the first month of school. We are not proposing to do that. I think we have passed that point, but we want to make sure that families have RATs available, particularly if there has been an outbreak at a school or a family member is a close contact or what have you. That is a good thing. It is a lot of money. I know that we have spent a lot of money, but half of it is offset by the commonwealth. We have avoided getting high numbers of cases and not having enough RATs. The other states cannot say that. They had high case numbers without having enough RATs. That caused terrible problems, particularly in the eastern states in December and January just past, and we have avoided that.

Mr R.S. LOVE: The Treasurer will be pleased to know that I will not ask about RATs any more.

I refer to table 1 that the Treasurer provided in the Treasurer's advance summary. I think the Treasurer spoke to this very briefly. One of the major amounts of money listed is the provision of \$500 million as a buffer for unforeseen

issues, particularly COVID-19 response measures as required. Can the Treasurer explain whether it is envisaged that that will be used for more industry support? What does that \$505.3 million in table 1 represent?

Mr M. McGOWAN: It could be used for a range of things, should we need it. I think we have done four rounds of business support packages since December. It may be that we have to do more. We just do not know. It is a buffer between now and 30 June, just in case.

Mr R.S. LOVE: At the moment, we are under level 2 COVID-19 restrictions and businesses are impacted by that. If the restrictions needed to be extended or even tightened in some way, would that buffer provide some sort of relief for those businesses going forward?

Mr M. McGOWAN: Potentially, yes. It could be for any emerging issues, unforeseen emergencies or, as I said, for business support packages. Hopefully, we will not need to do any more business support packages, but we do not know. As I said to the member earlier, some of the other states are experiencing further surges. That may well have a dramatic impact and they may have to put in place support packages. I do not know what will happen between now and winter, in particular. We do not know what we will have to do based on health and other advice. It is a buffer just in case, so that if we have to do something quickly, we will have the capacity to do so, because if we do not pass this legislation, we will not have capacity to do that and the member will ask why we did not pass a Treasurer's advance to allow us to do that.

Mr R.S. LOVE: The Treasurer piqued my curiosity about passing the Treasurer's advance and when we need to pass it. I am curious about when the Treasurer's advance will be needed. When does the Treasurer anticipate the available funds will be exhausted? I ask that in the context of a conversation I had with some members of the other place who told me that that house is not treating this as an urgent matter and will not debate it until April. That is what members of the other place have been told by the Leader of the Government in the Legislative Council. I want some confirmation of whether that is the case; and, if so, why have we had to rush it in this way in this house?

Mr M. McGOWAN: What normally happens is that it is the last couple of months of the financial year when the pressure arises with these sorts of things. In the lead-up to that, agencies will use their cash reserves and other funding or revenue sources, but eventually that will run out, so that is why we need this in order to authorise or appropriate money so that we can spend it on these sorts of purposes. It is normally the last couple of months—May and June, in particular. Regarding when it will go through the upper house, I do not have exact advice on that. I thought it was going to be very soon, because we need this authority now. I will try to get some advice, before consideration in detail finishes, about when it is needed.

As I said to the member earlier, since 2000 there have been 12 of these. Both governments have done it; governments of both persuasions have done it, as required, but there has never been a situation like the last three years. Our situation is quite different from what has gone before in terms of the demand for these sorts of measures. That is why it is large and why we need it quite quickly.

Mr R.S. LOVE: I thank the Treasurer or Premier; I am not quite sure how to refer to you, but Premier seems the more appropriate term. It would be good if we could get confirmation on what the timing is, because we are rushing around doing this and I am not the opposition spokesperson for these matters in this chamber; it is usually my leader, who is unfortunately unable to be here.

Could we turn to some of the items that the Premier provided in the summary of drawdowns forecast in the 2020–21 midyear review. I take it that this is the money that had been already attributed to cost overruns in that review, not the expenditures that have occurred since. It is mentioned here, so I just want to ask the Premier to explain the avoidable hospital utilisation from residential aged-care facilities pilot, and whether that is no longer a pilot, but, in fact, is actually something that is now being utilised in the aged-care and healthcare sector.

Mr M. McGOWAN: I am advised that it is a pilot program to attempt to keep older Western Australians out of hospital when they should not be there but there are no other places for them to stay. As the member knows, one of the problems we have with our hospitals is bed block, because older people are, unfortunately, stuck in hospital beds because we cannot find an aged-care bed for them. This is designed to assist with that.

The advice I have is that the first possible date for this legislation to go through, subject to the standing orders of the upper house, is 5 April.

Mr R.S. LOVE: I presume that that is if it is not declared an urgent matter?

Mr M. McGOWAN: I think the standing orders of the upper house may not be as responsive to exigencies as ours perhaps are. I am advised that 5 April is the first possible date. That is two weeks away, and I am advised that that is the first possible date if it goes through here tonight and goes to the upper house, sits for the requisite time, and is brought on for debate.

Mr R.S. LOVE: I bow to other people's superior knowledge of the processes of the other place.

Just turning back to the page on WA Health, there is \$68.4 million for the safe transition plan and additional beds, which will fund the operational cost of the 234 additional public beds mentioned in the capital section. Are the 234 additional beds being somehow purchased for a period from private hospitals? If so, how do those beds appear as a capital item? I cannot imagine that we are going to be able to construct 234 beds in that time. I know this is flitting from one thing to another, but it is mentioned there, so I am just wondering how those beds are going to be provided, given that they are from the capital section.

Mr M. McGOWAN: I think it was back in October that we announced the additional beds. There are 430 inpatient long-stay modular units at Osborne Park Hospital, Rockingham General Hospital, Bunbury Hospital and Bentley Hospital. Minor works and equipment to commission are 74 general beds at Royal Perth Hospital, 26 at Bentley Hospital and 24 at Fremantle Hospital. These are general beds to be commissioned using existing wards and so forth, and that need to be refurbished. There are 40 intensive care unit beds at Royal Perth Hospital and some at Perth Children’s Hospital and Fiona Stanley Hospital.

Mr R.S. LOVE: Given that we have a long history of pressure on the hospital system without COVID being greatly present within the community, and given that there will be a time when these beds will presumably be utilised, is it intended that all those beds will simply revert to the old numbers, post-pandemic? Does the government see at least some of them remaining? I will ask a subsequent question about the modular hospital beds.

Mr M. McGOWAN: It is too early to say. The beds are being brought on to deal with demand, and we know there is a lot of demand. That is what we have done. Hundreds of additional beds have been brought on to deal with the extraordinary levels of demand that our hospitals have been going through. The modular beds are functional for a certain time before they are no longer fit for purpose, but we will make all those decisions in the future. I do not want to say exactly what is going to happen. Once we open beds, obviously it is hard to unwind them, but they are meant to be there for the surge period, and that is why they have been commissioned. No final decision has been made on the future of them. Obviously, the ones that are easier to decommission are the ones we secure from private hospitals; we hand them back. That is pretty straightforward. The ones that are in public hospitals are another matter, and all those decisions will be made in the future, depending upon demand.

Mr R.S. LOVE: On the subject of modular beds, can the Premier give us an update about whether they are already commissioned or are they still being developed? If it is a mix of the two, where is the program at?

Mr M. McGOWAN: Regarding when they are opening and being commissioned, I think they will be progressive over the course of this year until, from memory, August, September and October. They are being commissioned. We are in a very heated building market; the commonwealth has found that with its quarantine facility in Bullsbrook. It takes a long time to build these things and commission them. That is what is occurring. They are rolling out progressively. I cannot remember the exact number, but about 300 or so beds have already been commissioned as part of our additional bed program, but the others are rolling out progressively. I do not have the answer, sorry, and the Minister for Health is not here. If the member puts a question on notice, I will try to get him an exact answer.

Mr R.S. LOVE: I will move on to another item of expenditure that the Treasurer has in this list. Under “Jobs, Tourism, Science and Innovation”, there are a lot of programs listed, and I do not expect him to answer questions on all of them tonight. There is \$10 million for aviation recovery and \$7.5 million for student attraction. Are they the allocations or are they the amounts that have been spent? Could the Treasurer provide me with an update on how they are going, perhaps not now but as some sort of supplementary information?

Mr M. McGOWAN: They are the allocations for those projects. No, I cannot provide supplementary information as part of these things; that is more for the budget. The JTSI allocations are largely part of the Reconnect WA package, which I announced on about 12 December. That has a whole range of commitments. I think I might have addressed in my speech earlier the aviation recovery fund and a range of others to which we have made an allocation, but I do not have the exact details of what has been spent. Obviously, some of them got delayed, if you like, because of the delay in reopening the border. On the other hand, I am sure that some of them have been rolled out—for instance, international education, marketing and incentive schemes. I am sure that some of that money to support students will have been rolled out because it is already happening. I do not have exact figures; I am sorry. This bill is just to authorise the spend. It does not say where the spend is at exactly. None of us has any of the details of how much has been expended so far. That is with the individual agency, and of course the staff cannot answer the question because they cannot come and stand in this place. I do not know how much has been expended on those projects. I know, for instance, that the other day, the Minister for Tourism announced funding for the big interstate advertising campaigning and rolled that out, so a lot of that would have been spent. That is the Wander Out Yonder campaign in the east. All those things are ongoing. I know we have done projects to attract media attention to WA; for instance, *The Project* is here with Waleed, Carrie, Peter and Adam. They are sitting at Kings Park promoting WA. It is a beautiful view looking out over the Swan River to promote WA to a national audience. We are doing a range of

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those things to try to promote Western Australia. The updated spending will be contained in the coming budget. How much has been spent on each of these things will be in the budget, which will come down on 12 May.

Mr R.S. LOVE: There is a note at the bottom of this section that says that the actual spend has exceeded the total amount but that is partially offset by lower spending on other funded services. From what the Treasurer has just said, we will not know what those services are until the budget is brought down in May. Would that be the case?

Mr M. McGOWAN: There will be an update on all that spend in the budget on 12 May. It will be in the relevant agency's budget statements in budget paper No 2.

Mr R.S. LOVE: Just out of curiosity, one of the items in the long list of things under JTSI—I think it is the last one—that I want to ask about is the enhanced welcome desk at Perth Airport. Is that program still running? What does that represent?

Mr M. McGOWAN: An amount of \$300 000 will be spent on the enhanced welcome desk at Perth Airport—I think I have seen it—in 2021–22 for StudyPerth to deliver enhanced welcome desk services for international students at Perth Airport. When they arrive, sometimes with their parents, someone greets them, provides them with a pack and gives them advice on where to go. I do not know whether there is a chaperone service; there might be. It is designed to make international students feel welcome when they arrive in a foreign country where they are going to live for a period.

Mr R.S. LOVE: Is the activation of Western Australia's international student pipeline all part of the student attraction program for overseas students, which is a few line items above that one? Is that program now active? Does the support start before the person comes? How does it work and what potential does it have to provide for an increased use of our universities and other facilities by overseas students?

Mr M. McGOWAN: I think the member is asking me about the activation of Western Australia's international student pipeline and the increased support of our overseas network. An additional \$1.9 million will be spent over 2021–22 and 2022–23 to support the state's overseas office network to promote Western Australia's international education sector. It is about promotional opportunities for foreign students. Obviously, the international student market has had a rough time in the last couple of years. We announced a range of measures to try to help them to get students in over the last few months, particularly because we delayed the border reopening. We had different measures to allow them to bring in students. I had a round table with all the vice-chancellors and some of the private providers and we came up with a range of initiatives to help them through, subject to quarantining, testing and the like, which I think has helped a lot. Obviously, we are going to have to do a lot more, and I acknowledge that. In the state budget, we will be looking to what else we can do, because that industry has had a very rough trot. It was not its own doing; it was just one of those things that occurred. Other industries have had a very successful period during the COVID pandemic, for reasons outside their control. International students, travel agents, conventions and some bespoke tourism operators have had a hard time, so we are looking at what else we can do to promote those industries.

Mr R.S. LOVE: I seem to be working my way up the list, which is not unusual! Moving from overseas students to more of a trade focus—of course, that is a very important thing for the state to focus on—there is an allocation of \$1 million for international trade missions and \$1 million for Invest and Trade activation. Would the \$1.4 million to bolster staffing in existing overseas offices be a trade allocation? Is that going into more offices throughout the globe? What is the activation there?

Mr M. McGOWAN: An additional \$1.4 million will be spent over 2021–22 and 2022–23 to bolster staffing in existing overseas offices. That is about securing enhanced trade and investment outcomes. There is an additional \$3.3 million over 2021–22 and 2022–23 for Invest and Trade to deliver additional investment attraction and trade promotion, including inbound and outbound delegations. An amount of \$1 million will be spent in 2021–22 on international trade missions to reconnect Western Australia's tourism operators with distribution partners across key international markets. In my time as tourism minister a long time ago, our operators would travel, perhaps with government, to meet with international wholesalers to promote Western Australia and vice versa. They would be brought out here, which cost money. I recall doing one of those and hundreds of Asian travel agents came and we showed them the best parts of Western Australia. Then when they went home and someone came in to book a trip, they could speak with knowledge about the beauty of Western Australia. These are the sorts of very innovative things that tourism does.

Mr R.S. LOVE: Another one of these items that is of interest is the securing of blockbuster events and \$1 million. I assume it is going to be hard to get blockbuster events into Western Australia under the current circumstances. Is that money likely to be spent? How much of that money has been used? Where has it ended up? Has it gone to a number of events or one event? How has it been utilised?

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Mr M. McGOWAN: We allocated an additional \$9 million over 2021–22 and 2022–23 to attract those sorts of events. We have to start early because sometimes it is a competitive process and, obviously, sometimes the event might be a year or more into the future. However, we have some pretty good events coming on. We have the State of Origin, which is a big deal for attracting people from New South Wales and Queensland, in particular. We have the women’s soccer World Cup and a range of others. I do not think we are getting a grand final this year, but that was pretty good. But that additional money is there to attract those events. We have the World Masters Games. There is always a huge list of events that this state has ready to go. We will go to a lot of effort to attract new events; there is no doubt about that. As I have said to the member many times, we have a stronger set of finances than any other state in Australia, so we can put in more effort than perhaps some other states, so that will be good for the tourism and events industry in WA.

Mr R.S. LOVE: Turning to the second page of the Treasurer’s advance summary, there is an allocation for a new item, COVID-19 test isolation payment. I take it that that is new. It is not in the midyear review; it is a completely new payment of \$30 million. This is a payment that is being made under the government’s safe transition plan, with an additional \$50 million to be allocated to it in 2022–23. Therefore, we are talking about an expected \$80 million program over those two budget periods—this year and next. I am wondering how that will be administered. Which government agency will ensure that those workers will get the money that they will be entitled to? Given that we have had a number of people who have contracted Omicron in the last few weeks, is there already substantial drawdown on that money?

Mr M. McGOWAN: When the budget comes down, we will update the drawdown of that. But we announced this payment in December, I think, as part of our reopening package so that people who were casual employees who did not have access to existing leave entitlements, should they be forced to isolate or should they be COVID positive, could access this payment. It was set at the same rate as the eastern state so that those people because of their financial situation, if they were a close contact or COVID positive, did not go to work. That was the purpose of it. I do not know at this time how many people have accessed it. Obviously, we will be able to update that in the budget.

Mr R.S. LOVE: Just so that it is clear in my mind, if a person tests positive for COVID and reports that to the Department of Health, is the information that they are eligible for that payment shared back to them? How do they know that they are eligible? Who are the workers who are eligible? Some workers will have leave entitlements if they are COVID positive; in some awards that is already the situation. Other people may have no leave entitlements for COVID isolation or infection. Could the Treasurer explain the mechanics of it and explain which workers are eligible? What is the criteria for the selection of the workers who get the \$320?

Mr M. McGOWAN: That information is contained on the Department of Communities’ website, which manages the system. But it is basically a single \$320 payment for workers who have been directed to isolate whilst waiting for a COVID-19 test result and who are unable to work from home and do not have access to paid leave or other income. That is the broad criteria. The rest of the criteria is on the Department of Communities’ website. I think it is an online application process that people go through to access this payment. It is designed to stop people going out or going to work because of their financial situation when they are in this position.

Mr R.S. LOVE: I turn to the next item, which is education. It seems striking that we are talking here about an emergency authority for an advance. The first item under education relates to depreciation expenses resulting from a change in the value of the department’s fixed assets. Is that really something that has to be reflected in the Treasurer’s advance?

Mr M. McGOWAN: I am advised that this is the first opportunity to reflect an accounting change that emerged from the last audit cycle, and it is required to be put in place. Therefore, this is our first opportunity to reflect it or announce it.

Mr R.S. LOVE: Thank you. I would have thought the Treasurer would not have had to write out a cheque for it, so it seems a bit —

Mr M. McGowan: Accountants are very expensive.

Mr R.S. LOVE: Apparently; yes! I move then to the other items on that allocation: the increased cost and demand pressures. Can the Treasurer give me some idea of what that is? We have already seen that the funding for cleaning is taken care of in a separate allocation, so what are some of the cost and demand pressures on schools? I would have thought that their likely pressures would be in terms of wages et cetera, but surely that is already picked up in the normal processes? Can the Treasurer explain what that is about?

Mr M. McGOWAN: It is very modest. It is only \$3.5 million in a budget of \$7 billion, so it is very modest. These things move around a bit; it reflects the number of students. Obviously, there has been an increase in the number of students above what was expected.

Extract from Hansard

[ASSEMBLY — Tuesday, 22 March 2022]

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Mr R.S. LOVE: I am looking at the other page, which has been provided, on capital, and I am not seeing any allocations for education. So there is no ongoing work, but I understood that work was needed to improve ventilation, providing filters and better air conditioning et cetera, and that that was ongoing. Is that work complete or is that work already fully funded?

Mr M. McGOWAN: The advice I have is that there is not much this year. It is actually very small in overall terms. It is \$500 000 for two new primary schools to be located at Henley Brook and east Wattleup in 2024. That funding would be in order to do the planning work, including architects and that sort of work, for those new primary schools.

Mr R.S. LOVE: Is no capital being spent on upgrading old schools to make them more COVID safe?

Mr M. McGOWAN: A huge amount of work has already been done on that and it is already built into the existing budget. This is additional funding for this year. As the member might recall, I do not know whether it was in December or January, the Minister for Education and Training and I announced that the department inspected every single classroom across the state to work out its ventilation ability. We put in place HEPA filters in most classrooms around the state. We gave them devices that can measure air quality and the like. We provided advice and guidance to schools all over the state. A whole range of capital work to make schools COVID safe was put in place all over WA.

Mr R.S. LOVE: On the additional funding for enhanced cleaning in term 1 for 2022, I thought that schools already had initiated an enhanced cleaning program throughout the whole COVID period. Is this additional and a ramp-up of what was already a particularly enhanced cleaning process in earlier times, or is this more in regard to schools that had recorded an infection and needed to be deep cleaned?

Mr M. McGOWAN: It is to keep it in place. We funded the enhanced cleaning. I have seen it in schools; a lot of people are doing this. It is to keep it in place while we need it. Obviously, we are going through the surge, if not the peak, at the moment, so this funding is to keep those measures in place. We were funding it half year by half year and now term by term depending upon demand, to keep it in place in schools across Western Australia for term 1.

Mr R.S. LOVE: I might just move to the next section of the table on this sheet, Treasurer's advance 2021–22 summary, Fire and Emergency Services, under "recurrent". The first item is the majority of the \$16.8 million, and \$10 million is attributed to the temporary workers' accommodation package to support the recovery of cyclone-affected communities through the provision of accommodation facilities for workers undertaking clean-up, restoration and rebuilding activities. Is that basically the rent of properties, being in the recurrent section, or is it to do with the provision of a longer term accommodation solution in the cyclone-affected areas? How much of that is an allocation that has already been spent?

Mr M. McGOWAN: Cyclone Seroja, which happened a year ago now, required us to invest in a temporary workers' accommodation package, the workers' donga camp. We either rented or bought a motel in Kalbarri, as I recall, so that we could get people up there to do the work. It was a pretty big event. Having people live there and also having enough people to go there and do the work, the two things did not compute, so we had to provide this support for that. The other was the \$4.9 million for the mobilisation cost of two new helicopters that were used as part of the cyclone Seroja response. That explains that expenditure.

Mr R.S. LOVE: Spending under the Department of the Premier and Cabinet area has the donation to Telethon and also recurrent funding for \$3.5 million for the expansion of the Build a Life in WA media campaign to help address labour shortages in the construction, manufacturing and hospitality industries. Why does the second leg of that, the additional funding of the Build a Life program, come under the Treasurer's department and not under the Department of Jobs, Tourism, Science and Innovation or one of those other departments that has all those other programs for the attraction of students, labour and all sorts of other things?

Mr M. McGOWAN: For the Department of the Premier and Cabinet, it was \$11 million. That enhanced the Telethon donation by \$6 million, which took it to \$10 million, as I recall. The reason behind that is that Telethon is a great cause and the state is doing relatively well, so it is a good thing to do. The other day I made a \$2 million donation to the flood appeal in Lismore and northern New South Wales. Sometimes we have to do good things.

In terms of the Build a Life in WA media campaign, I expect that came through the Department of the Premier and Cabinet because my department has been coordinating the media and communications response to COVID. The Build a Life in WA campaign would have reflected the fact that COVID has caused certain labour shortages in a whole range of industries. The communications and media expertise is very centralised as part of the response to COVID, and this campaign would have just been put through there because it has the expertise to do it.

Mr R.S. LOVE: Just looking at the Telethon donation—I am not quibbling at all about it, I think it is a great cause—and adding up the figures here, there is \$9.5 million in the two items, with \$6 million to the donation and \$3.5 million to the additional recurrent funding. That is \$9.5 million, but the allocation is \$11 million. Is the \$1.5 million to do

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with the formulation of new funding arrangements, or is it completely unrelated to Telethon and just in some other matter not listed there?

Mr M. McGOWAN: As the member knows, in the note that was provided to him it says that the \$11 million was primarily for Telethon and the Build a Life in WA campaign. Obviously, \$1.5 million is missing, which would go towards other things. I will see whether I can find what they are. The advice I have is that \$1.4 million is for the COVID-19 quarantine project team, which is our contribution to the planning and working up of what will be called the “Centre for National Resilience” in Bullsbrook. I thought that was an amazing name, the “Centre for National Resilience”. We have to help with the project team there. Obviously when that comes online, we will have to manage it, and a lot of work is going on around that.

Mr R.S. LOVE: In terms of additional spend, the last of the recurrent items is the Western Australian Land Authority, with \$10.5 million to the de-constraining and remediation works at the East Perth power station site. Were those figures unknown earlier when the budget was formed? It seems that that should have been known earlier. Was that a surprise amount of money? When did that expenditure occur, and are there any more potential calls on the state in regard to the issues at East Perth power station?

Mr M. McGOWAN: The advice I have is that it is a bring forward of some of the money for that project to get it happening more swiftly. The thing about that project is that it is, obviously, complex. The East Perth power station has been closed and sitting empty for 42 years on that prime site on the river in the heart of the city. It is an eyesore, yet it has the capacity to be something amazing. Therefore, the government made a decision a couple of years ago to make sure that it resolved that issue, which I think is a good thing, but there is some cost attached in order to do that. The expenditure the government will put in will unlock many hundreds of millions of dollars of construction and other activity in the heart of the city and lots of new social and economic opportunities. That is one of the things that governments sometimes have to do. I am advised that the \$10 million is a bring forward. Some of the de-constraining and remediation works are around the gas and electricity infrastructure and perhaps some soil issues in the area. It was a power station from, I think, the 1880s to 1980, so their standards were not the same as ours are now. I know one thing: when this project is finished—I do not know exactly when that will be; it may well be a 10-year ongoing project for the whole site—the part that abuts the river will be spectacular and will be something that people from all over Australia will go to. Tourists will flock to it and Western Australians will enjoy it for generations to come.

Mr R.S. LOVE: I was not quite sure: did the Treasurer answer the other part about whether any further liability might accrue to the state from that project, or does he think that that will be the end of the matter?

Mr M. McGOWAN: There is likely to be some. The site is very difficult. We are considering whatever that might be as part of the budget deliberations.

Mr R.S. LOVE: The Treasurer expects that there might be further costs. Will they be qualified in a future budget or is this an open chequebook situation?

Mr M. McGOWAN: The expectation is that the additional costs will be in the budget on 12 May, but the spend may well be in the years after that. Obviously, we will not necessarily spend it this year because some of the de-constraining and other work might take longer than that.

Mr R.S. LOVE: Just turning to the capital items listed on the sheet that the Treasurer was kind enough to provide, I think he went through most of the costs under WA Health in terms of the modular units et cetera. Would it be possible for the Treasurer to outline where the provision of ICU beds is at? It lists 40 intensive care unit beds. I think there is an expectation that this will be a very expensive undertaking. Can the Treasurer give me an idea of how much that actually is?

Mr M. McGOWAN: There are 40 intensive care unit beds in total, of which 28 are at Royal Perth Hospital; Perth Children’s Hospital has two and Fiona Stanley Hospital has 10.

Mr R.S. LOVE: There are a number of projects listed under the allocation for the Department of Local Government, Sport and Cultural Industries. Were none of those projects already costed and understood? Are they new projects that were brought on? Why are these projects represented here in this fashion?

Mr M. McGOWAN: Some of it—\$13.6 million—is a bring forward of some of the money for planning of the screen production facility. The other reflects election commitments, so it brings to book election commitments, in particular the refurbishment of His Majesty’s Theatre, additional funding for the State Football Centre and the Art Gallery of WA rooftop gallery project.

Mr R.S. LOVE: My understanding was that the Victoria Quay proposal had struck some issues and it was now to be repurposed. Will the change that the Premier announced two or three weeks ago change this allocation of \$13.6 million?

Mr M. McGOWAN: No, the planning is ongoing for the facility. Obviously, we are looking at alternative sites, but there may still be a component at Victoria Quay. The idea is that we will have a screen production facility to create an enhanced industry in WA, but the Victoria Quay site was difficult for the entire facility so we are looking at alternative sites. The planning work is still going on because we still want to achieve that outcome.

Mr R.S. LOVE: Just looking at some of the Burrup Peninsula funding, there are two allocations to Main Roads Western Australia and the Water Corporation. Are these to be fully funded by the state or will any money be recouped from the federal government or some other authority for any of that expenditure down the track?

Mr M. McGOWAN: There is \$25 million to be spent on the construction of enabling road infrastructure in the Burrup Strategic Industrial Area, including the relocation of Hearson Cove Road and the undergrounding of nearby power infrastructure. As the member knows, there is a significant package of common-user upgrades, including of water and the port, that the state government is assisting with, but it will be largely funded by the Northern Australia Infrastructure Facility. The state government, in particular Minister MacTiernan, has done a huge amount of work—I would like to congratulate her on her work—to bring this to fruition. All those things were part of what she did to secure what is a \$4.5 billion project and all the jobs and opportunities that will come with that.

Mr R.S. LOVE: Will this be the full cost of the state’s involvement there or will there be further expenditure in the forthcoming budget on top of that?

Mr M. McGOWAN: The totality is \$300 million or thereabouts. Going from memory, around \$80 million was state government funding for roads, site works, electricity undergrounding and so forth. The other components were funded by a Northern Australia Infrastructure Facility loan that has to be repaid by Perdaman over time. The state was instrumental in getting that NAIF funding. A massive project like that is an amazing outcome, with the state securing those parts of it that will allow it to occur. The road and the repackaging of the land were part of the state’s expense, which we accept is what we want to contribute to make the project happen.

Mr R.S. LOVE: I refer now to the amount of \$10.2 million for the Bunbury Water Corporation, as additional capital funding for the water resource recovery scheme. Most of the costs relate to additional regulatory and stakeholder requirements. Can the Treasurer explain why the corporation needs to spend an additional \$10.2 million satisfying these additional requirements?

Mr M. McGOWAN: The water recycling plant in Bunbury is being constructed, and the health and environmental approval components of that will require an investment of an extra \$10.2 million this year to ensure that that project goes ahead. This will provide recycled water for use in major infrastructure and irrigation of public open spaces.

Mr R.S. LOVE: Thanks for the explanation. At the very bottom of the table for the capital funding, the total Treasurer’s advance capital funding is \$290.9 million. It also states “plus recoverable advances of \$20 million”. Can the Treasurer explain what recoverable advances refers to?

Mr M. McGOWAN: Agencies receive short-term cash flow from the consolidated account to assist them with their working cash towards the end of the financial year, and then they repay it in the following financial year.

Clause put and passed.

Title put and passed.

Third Reading

MR M. McGOWAN (Rockingham — Treasurer) [8.14 pm]: I move —

That the bill be now read a third time.

MR R.S. LOVE (Moore — Deputy Leader of the Opposition) [8.15 pm]: It is always a relief to stand up and take the mask off, I must say! I thank the Treasurer for working collaboratively through the measures involved in the Treasurer’s Advance Authorisation Bill 2022. I also thank the advisers who have assisted this evening, and I hope they have a pleasant time when they head to the other place in April for the next stage of the passage of the bill.

What we have learnt tonight was pretty well encapsulated in discussions during consideration in detail, so I will not go into any of those matters again. A lot more information was provided than we had before the beginning of consideration in detail, with the Treasurer’s advance summary and then pages of the summary of the drawdown forecasts for both recurrent and capital items. It is a pity that we did not have those a bit earlier; it would have helped with the discussion. I am very intrigued to learn what happens next, and when the bill is likely to be presented to the other place. It was made quite clear that there was a lot of urgency for the bill to be passed through this place today, which could easily have been accommodated by declaring it urgent, debating it tomorrow and Thursday and then sending it to the other place, but that did not happen.

I hope that the money in the advance authorisation—some \$1.5 billion—does not all have to be spent. The Treasurer has outlined that some of the money will be spent, but perhaps some will still be left unspent at the end of this

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period. We know that the state is in a very uncertain situation. Members on this side wanted to cooperate to ensure that the functions of government can continue, and people who need support in the form of COVID payments for business and workers who have been laid off from their jobs can get that support, and schools and hospitals and all the other functions of government can continue. No opposition in this state would want to see a situation in which the government was unable to carry on business. With that, I will conclude my contribution and look forward to the bill's eventual passage through the other place.

MR M. MCGOWAN (Rockingham — Treasurer) [8.18 pm] — in reply: I thank the Deputy Leader of the Opposition for his sterling efforts in dealing with this legislation in a solo fashion without much support from his colleagues. It is an unusual situation; it is an unusual year, once again, so the Treasurer's advance is necessary just in case of those budget expenditures that come along. As I have said before, I am dubious about needing so much, but we must have contingencies in place, as the member knows. That is the purpose. As to the timing of the bill, we obviously have other legislation today, but the advice I was given was that we had to deal with this bill expeditiously here so that we can get it to the upper house. I think 5 April was the date we expected it to pass through there, and then it will get assent shortly thereafter—April, May and June—which will give us enough time to have the opportunities in place for additional spending as required over the course of the next three months.

Question put and passed.

Bill read a third time and transmitted to the Council.